

272179

NHTSA-03-17015-7

COMMITTEE:
ENERGY AND COMMERCE
SUBCOMMITTEES:
TELECOMMUNICATIONS
ENERGY AND AIR QUALITY
HEALTH

CONGRESSIONAL WIRELESS
CAUCUS CO-CHAIR
ASSISTANT WHIP

CHIP PICKERING
THIRD DISTRICT, MISSISSIPPI

Congress of the United States
House of Representatives
Washington, DC 20515-2403

COMMITTEE:
AGRICULTURE
SUBCOMMITTEES:
GENERAL FARM COMMODITIES AND RISK
MANAGEMENT
LIVESTOCK AND HORTICULTURE

229 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5031
FAX: (202) 225-5797

February 19, 2004

The Honorable Norman Y. Mineta
Secretary
United States Department of Transportation
400 Seventh Street, SW
Washington, D.C. 20590

Dear Secretary Mineta:

I have recently learned that the National Highway and Traffic Safety Administration ("NHTSA") of the United States Department of Transportation is considering a petition by Nissan North America, Inc. ("Nissan"), for a statutory exemption from the Corporate Average Fuel Economy ("CAFE") program that requires separate fuel economy calculations for domestically and non-domestically manufactured passenger cars (otherwise known as the "two-fleet" or "fleet-split" requirement). Originally granted to Volkswagen more than 20 years ago, the exemption is intended to encourage international manufacturers to produce cars in the United States.

It is my understanding that after 2005, the North American Free Trade Agreement will treat vehicles made in Mexico for the United States market as "domestically produced" for purposes of measuring fuel economy, and that such treatment could result in companies such as Nissan having to pay a substantial CAFE penalty. Nissan has indicated that, in order to avoid this penalty, it would have to either reduce the domestic content of the vehicles made in Mexico, which would concurrently reduce jobs at auto parts suppliers in the United States, or reduce production in the United States of passenger cars, which would eliminate critical jobs for many Americans. Nissan will soon begin production of its Nissan Altima in Mississippi and the effect of this penalty could severely impact much-needed and anticipated jobs for Mississippians. I am sure you will agree that either action required by Nissan as a result of this penalty would have a devastating effect on American workers and manufacturers.

Nissan is therefore seeking this statutory exemption not only to prevent the reduction of manufacturing and employment in the United States, but in fact, to increase domestic production in the United States.

I have been informed that the law requires that an exemption be granted unless the NHTSA determines that the exemption will reduce motor vehicle production employment in the United States. I am writing to let you know that, with the exemption, Nissan can and will increase employment in the United States, including Mississippi. Without the exemption, however, Nissan may be forced to reduce employment in the United States to avoid being penalized. The exemption will allow Nissan to maintain current levels of domestic production of

110-D AIRPORT ROAD
PEARL, MS 39208
(601) 932-2410
FAX: (601) 965-4598

823 22ND AVENUE
MERIDIAN, MS 39301
(601) 893-8681
FAX: (601) 893-1801

1 RESEARCH BOULEVARD, SUITE 201
STARKVILLE, MS 39758
(662) 324-0007
FAX: (662) 324-0033

230 SOUTH WHITWORTH STREET
BROOKHAVEN, MS 39601
(601) 823-3400
FAX: (601) 823-8514

308 FRANKLIN STREET
NATCHEZ, MS 39120
(601) 442-2515
FAX: (601) 442-3211

Internet: <http://www.house.gov/pickering/>

2004 MAR -11 A 10:46

DEPT OF INFORMATION
DOCUMENTS

ES04-001619

The Honorable Norman Y. Mineta
Secretary
United States Department of Transportation

Page 2 of 2

the Altima (produced in currently in Smyrna, Tennessee and soon in Canton, Mississippi), the Maxima (produced in Smyrna), and the Sentra (using U.S.-made components in Mexico).

Granting the exemption will allow Nissan to continue its current expansion plans beyond 2005 and will facilitate continued increases in domestic production and employment in Mississippi from now through 2010. Most importantly, it will meet Congress's goal of increasing production in the United States and will benefit the workers of my state, which is now part of a growing auto manufacturing corridor in the South. Thus, I urge you to grant Nissan's petition for exemption from the two-fleet requirement.

Thank you for your consideration of this issue and I look forward to your response.

Sincerely yours,



Chip Pickering

CWP:mh